

TA ENTERPRISE BERHAD (194867-M)

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2006

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-10-06	31-10-05	31-10-06	31-10-05
	RM'000	RM'000 (restated)	RM'000	RM'000 (restated)
Revenue	73,160	82,971	243,812	213,040
Other income	12,225	23,346	33,613	47,811
Other expenses	(54,551)	(71,939)	(169,638)	(196,089)
Finance costs, net	(2,204)	(3,110)	(6,669)	(9,111)
Share of results of associated companies	32	9	(19)	(72)
Profit before taxation	<u>28,662</u>	<u>31,277</u>	<u>101,099</u>	<u>55,579</u>
Taxation	(5,113)	(5,186)	(15,934)	(8,454)
Net profit for the period	<u><u>23,549</u></u>	<u><u>26,091</u></u>	<u><u>85,165</u></u>	<u><u>47,125</u></u>
Attributable to:				
Equity holders of the parent	23,512	26,029	84,945	46,784
Minority interests	<u>37</u>	<u>62</u>	<u>220</u>	<u>341</u>
	<u><u>23,549</u></u>	<u><u>26,091</u></u>	<u><u>85,165</u></u>	<u><u>47,125</u></u>
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	1.77	1.96	6.39	3.52
Fully diluted (sen)	1.77	1.96	6.39	3.52

AS AT END OF CURRENT QUARTER

AS AT PRECEDING FINANCIAL YEAR END

Net assets per share (RM)

1.39

1.35

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 January 2006)

TA ENTERPRISE BERHAD (194867-M)

CONDENSED CONSOLIDATED BALANCE SHEET

	AS AT END OF CURRENT QUARTER 31-10-06 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31-01-06 RM'000 (restated)
NON-CURRENT ASSETS		
Property, plant and equipment	392,534	407,180
Investment properties	352,331	358,676
Land held for property development	377,815	98,980
Associated companies	15,210	15,229
Other investments	45,136	64,973
Deferred tax assets	601	1,243
Reserve on consolidation	-	(4,378)
	1,183,627	941,903
CURRENT ASSETS		
Property development costs	90,033	86,630
Properties & land held for resale	11,228	12,335
Inventories	395	437
Financial receivables	254,204	266,542
Trade receivables	522,266	410,710
Other receivables	74,295	95,770
Short term investments	4,457	2,721
Short term funds	472,619	564,644
	1,429,497	1,439,789
CURRENT LIABILITIES		
Provision for liabilities	-	4,040
Short term borrowings	7,399	7,199
Trade payables	419,321	264,794
Other payables	170,394	147,348
Taxation	12,651	2,224
	609,765	425,605
Net Current Assets	819,732	1,014,184
	2,003,359	1,956,087
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	1,328,475	1,328,475
Reserves	507,462	452,846
	1,835,937	1,781,321
Minority interests	7,667	7,462
TOTAL EQUITY	1,843,604	1,788,783
NON-CURRENT LIABILITIES		
Term loan	138,422	145,182
Deferred tax liabilities	21,333	22,122
	2,003,359	1,956,087
Net assets per share (RM)	1.39	1.35

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 January 2006)

TA ENTERPRISE BERHAD (194867-M)
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2006**

	Attributable to Equity Holders of the Parent						Minority Interests RM'000	Total Equity RM'000	
	Non-distributable				Distributable				
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	General reserve RM'000	Translation reserve RM'000	Retained profits RM'000			Total RM'000
At 1 February 2005									
As previously stated	1,328,475	63,273	10,324	290	106,689	257,435	1,766,486	7,193	1,773,679
Prior year adjustments									
- change in accounting policy (FRS 121)	-	-	-	-	45,232	(45,232)	-	-	-
At 1 February 2005 (restated)	1,328,475	63,273	10,324	290	151,921	212,203	1,766,486	7,193	1,773,679
Currency translation differences	-	-	-	-	(10,372)	-	(10,372)	(70)	(10,442)
Net profit for the period	-	-	-	-	-	46,784	46,784	341	47,125
Total recognised income and expense for the period	-	-	-	-	(10,372)	46,784	36,412	271	36,683
Dividend paid	-	-	-	-	-	(47,825)	(47,825)	-	(47,825)
At 31 October 2005	1,328,475	63,273	10,324	290	141,549	211,162	1,755,073	7,464	1,762,537
At 1 February 2006									
As previously stated per audited accounts	1,328,475	63,273	10,324	290	80,663	298,296	1,781,321	7,462	1,788,783
Prior year adjustments									
- change in accounting policy (FRS 121)	-	-	-	-	53,570	(53,570)	-	-	-
At 1 February 2006 (restated)	1,328,475	63,273	10,324	290	134,233	244,726	1,781,321	7,462	1,788,783
Effects of adopting FRS 3	-	-	-	-	-	4,378	4,378	-	4,378
	1,328,475	63,273	10,324	290	134,233	249,104	1,785,699	7,462	1,793,161
Currency translation differences	-	-	-	-	(6,012)	-	(6,012)	(15)	(6,027)
Net profit for the period	-	-	-	-	-	84,945	84,945	220	85,165
Total recognised income and expense for the period	-	-	-	-	(6,012)	84,945	78,933	205	79,138
Dividend paid	-	-	-	-	-	(28,695)	(28,695)	-	(28,695)
At 31 October 2006	1,328,475	63,273	10,324	290	128,221	305,354	1,835,937	7,667	1,843,604

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2006)

TA ENTERPRISE BERHAD (194867-M)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2006**

	<i>Unaudited</i>	<i>Audited</i>
	CURRENT YEAR TO DATE 31-10-06 RM'000	PRECEDING FINANCIAL YEAR ENDED 31-01-06 RM'000
Operating Activities		
Profit before taxation	101,099	97,842
Adjustments for:		
Non-cash items	13,480	56,734
Non-operating items	(24,723)	(39,140)
Operating profit before changes in working capital	<u>89,856</u>	<u>115,436</u>
Changes in working capital		
Net change in current assets	(340,083)	66,363
Net change in current liabilities	51,442	(35,088)
Cash (used in)/generated from operations	<u>(198,785)</u>	<u>146,711</u>
Interest received	3,773	21,247
Taxes paid	(4,891)	(8,778)
Taxes refunded	-	106
Net cash (used in) / generated from operating activities	<u>(199,903)</u>	<u>159,286</u>
Investing Activities		
Equity investments	22,196	18,029
Non-equity investments	6,614	15,058
Net cash generated from investing activities	<u>28,810</u>	<u>33,087</u>
Financing Activities		
Transactions with shareholders (see note)	(28,695)	(47,825)
Borrowings	(124)	(24,337)
Decrease / (Increase) in pledged deposits for financing facilities	400	(900)
Net cash (used in) financing activities	<u>(28,419)</u>	<u>(73,062)</u>
Effects of foreign exchange rate changes	347	(93)
Net (decrease) / increase in Cash & Cash Equivalents during the period	<u>(199,165)</u>	<u>119,218</u>
Cash & Cash Equivalents at beginning of year		
As previously reported	440,986	321,768
Effects of exchange rate changes	(1,629)	-
As restated	439,357	321,768
Cash & Cash Equivalents at end of current period which exclude monies held in trust, Housing Developer Accounts and fixed deposits pledged to financial institutions	<u>240,192</u>	<u>440,986</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 January 2006)

Note : Dividends paid to shareholders

TA ENTERPRISE BERHAD (194867-M)

Quarterly Report for the Period Ended 31 October 2006

Notes (in compliance with FRS 134)

A1 Basis of Preparation

The quarterly financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (FRS) 134: Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. The quarterly financial report should be read in conjunction with the Group's audited financial statements for the year ended 31 January 2006.

A2 Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the audited financial statements for the year ended 31 January 2006 except for the adoption of the following new / revised Financial Reporting Standards ("FRS") effective for the financial period beginning 1 February 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of FRS 2, FRS 102, FRS 108, FRS 110, FRS 127, FRS 128, FRS 131, FRS 132, FRS 133, FRS 136 and FRS 138 does not have significant financial impact on the Group. The principal effects of the change in accounting policies resulting from the adoption of the new/revised FRSs are discussed below:

(a) FRS 2: Share-based Payment

This FRS requires an entity to recognise share-based payment transactions in its financial statements, including transactions with employees or other parties to be settled in cash, other assets, or equity instruments of the entity. The compensation expenses relating to share option will be recognised in profit or loss over the vesting periods of the grants with a corresponding increase in equity when the option is allocated. The total amount to be recognised as compensation expense is determined by reference to the fair value of the share options at the date of grant and the number of share options to be vested by vesting date. The fair value of the share option will be computed using a binomial model. At every balance sheet date, the Group will revise its estimates of the number of share options that are expected to vest by the vesting date. Any revision of this estimate is included in profit or loss and a corresponding adjustment to equity over the remaining vesting period.

The Group operates an equity-settled, share-based compensation plan for the employees of the Group, under the TA Enterprise Berhad Employees' Share Option Scheme. As the Group has not granted any options to its employees, no compensation expense was recognised in the income statement.

(b) FRS 3: Business Combinations

Under FRS 3, any excess of the Group's interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over cost of acquisitions (previously referred to as "reserve on consolidation"), after reassessment, is now recognised immediately in the income statement.

Prior to 1 February 2006, the reserve on consolidation was recognised as an item in Non-Current Assets in the balance sheet of the Group and would have been recognised in the income statement upon the disposal of the trust (of which the Group is a beneficiary) from which it arose. In accordance with the transitional provisions of FRS 3, the reserve on consolidation as at 1 February 2006 of RM4,378,200 was derecognised with a corresponding increase in retained profits.

(c) FRS 5: Non-current Assets Held for Sale and Discontinued Operations

Prior to 1 February 2006, under the previous FRS 135₂₀₀₄, the Group had classified a subsidiary's deregistered banking operation as a discontinuing operation. As the criteria to be classified as a discontinued operation under FRS 5 are stricter, such operation which could not meet all criteria of FRS 5 has been reclassified as a continuing operation.

The conditional sale of this subsidiary's asset during the current reporting period is disclosed in Note A 12 under Subsequent Events.

(d) FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interests, share of net after-tax results of associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity, total recognised income and expenses for the period, showing separately the amount attributable to equity holders of the parent and to minority interests.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

(e) FRS 140: Investment Property

The adoption of this new FRS has resulted in a change in classification for certain properties previously classified as Property, Plant and Equipment. These properties have been reclassified as investment properties as they are held to earn rentals or for capital appreciation or both, and not for use in the production or supply of goods and services or for administrative purposes. As the Group has chosen to adopt the cost model, such investment properties would be measured at depreciated cost less any accumulated impairment loss. However, a disclosure of their fair values would be made in the notes to the annual financial statements.

In accordance with the transitional provisions of FRS 140, the changes in respect of the abovesaid classifications have been accounted for by restating the following carrying amounts as at 31 January 2006:

	Previously stated RM'000	Reclassification RM'000	Restated RM'000
Property, plant and equipment	765,856	(358,676)	407,180
Investment properties	-	358,676	358,676

(f) FRS 121 : The Effects of Changes in Foreign Exchange Rates

Prior to 1 February 2006, exchange differences arising on monetary items that formed part of the Group's net investment in foreign operations were recognised in profit or loss in the period in which they arose.

In line with the adoption of FRS121: The Effects of Changes in Foreign Exchange Rates and for a more appropriate presentation of events/transactions in the consolidated financial statements, the Group changed its accounting policy with respect to the recognition of exchange differences arising from the designated intra-group monetary items that, in substance, formed part of the Group's net investment in foreign subsidiaries or trusts (of which the Group is a beneficiary) and for which settlement is neither planned nor likely to occur in the foreseeable future.

Such exchange differences would initially be reclassified to the translation reserve, a separate component of equity in the Group's financial statements and would subsequently be recognised in profit or loss on the realisation of the net investment.

The change in accounting policy has been adopted retrospectively and has resulted in the reclassification of such cumulative exchange differences (previously recognised gains) from the retained profits to the translation reserve as follows:

	As at 1.2.2006 RM'000	As at 1.2.2005 RM'000
Decrease in retained profits	(53,570)	(45,232)
Increase in translation reserve	53,570	45,232

	3 months ended		9 months ended	
	31.10.2006 RM'000	31.10.2005 RM'000	31.10.2006 RM'000	31.10.2005 RM'000
(Decrease)/increase in profit for the period	(184)	(6,371)	744	(5,998)

A3 Comparatives

The following comparative amounts have been restated due to the change in accounting policy as mentioned in Note A2(f) above:

	Previously stated RM'000	Change in accounting policy (Note A2 (f)) RM'000	Restated RM'000
At 31 January 2006			
Retained profits	298,296	(53,570)	244,726
Translation reserve	80,663	53,570	134,233
3 months ended 31 October 2005			
Other expenses	65,568	6,371	71,939
Profit before tax	37,648	(6,371)	31,277
Net profit for the period : attributable to equity holders of the parent	32,400	(6,371)	26,029
9 months ended 31 October 2005			
Other expenses	190,091	5,998	196,089
Profit before tax	61,577	(5,998)	55,579
Net profit for the period : attributable to equity holders of the parent	52,782	(5,998)	46,784

A4 Auditors' Report of Previous Annual Financial Statements

The auditors' report of the preceding annual financial statements was not qualified.

A5 Seasonal or Cyclical Factors

The Group's operations are not affected by any seasonal or cyclical factors other than the volatility in the trading volume and share prices on the Bursa Malaysia and the seasonal factors that affect the occupancy and room rates of the Group's hotel operations in Australia.

A6 Unusual Items Affecting the Financial Statements

There were no items affecting assets, liabilities, equity, net income or cash flows during the financial period under review that were unusual because of their nature, size or incidence.

A7 Changes in Accounting Estimates

The revised FRS 116: Property, Plant and Equipment requires the review of the residual value and remaining useful life of an item of property, plant and equipment at least at each financial year end. The Group has revised the residual values of certain buildings (including those classified under Investment Properties) and motor vehicles and the estimated useful lives of certain computer equipment from five to three years with effect from 1 February 2006. The revisions were accounted for as change in accounting estimates and as a result, the depreciation charges for the current financial period ended 31 October 2006 have been reduced by RM4,328,996.

There were no other changes in estimates that have had a material effect in the current quarter results.

A8 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities since the last annual balance sheet date.

A9 Dividends Paid

On 15 August 2006, a final dividend of 3 sen per ordinary share less 28% taxation amounting to RM28,695,054 in respect of the financial year ended 31 January 2006 was paid to shareholders whose names appeared in the Register of Members as at the close of business on 26 July 2006.

No further dividend has been paid subsequent to the one stated above, as at the date of this announcement.

A10 Segmental Information

Segment revenue and segment results for the current financial year to date:

	Stock broking and related activities	Investment holding and Others	Credit and financial services	Property investment	Property development	Hotel operations	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
External sales	86,123	208	5,820	31,211	66,598	53,852	-	243,812
Inter-segment sales	370	47,714	-	16,727	-	9,284	(74,095)	-
Total revenue	86,493	47,922	5,820	47,938	66,598	63,136	(74,095)	243,812
Other income	15,242	5,747	5,905	4,133	1,530	1,056	-	33,613
Results								
Segment results	33,427	94,558	22,312	18,826	32,069	17,408	-	218,600
Elimination	6,507	(101,954)	(185)	(1,586)	(4,813)	(6,457)	-	(108,488)
Net segment results	39,934	(7,396)	22,127	17,240	27,256	10,951	-	110,112
Unallocated costs								(2,325)
Finance costs, net								(6,669)
Share of results of associated companies		13		(32)				(19)
Profit before taxation								101,099
Taxation								(15,934)
Net profit for the period								85,165
Attributable to:								
Equity holders of the parent								84,945
Minority Interests								220
								85,165

A11 Valuations of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements of the Group.

In accordance with the Group's policy, property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

A12 Subsequent Events

Sale of rental enterprise, land and building in South Africa

TA Antarabangsa Finance South Africa Limited, a wholly-owned subsidiary of the Company incorporated in the Republic of South Africa, has on 6 September 2006 entered into an Agreement of Sale with Paramount Property Fund Limited (“PPFL”) for the sale of the rental enterprise including all land and buildings erected on the property in Rosebank Township for a total cash consideration of R73,000,000 (equivalent to RM35,375,800). The sale is conditional upon the fulfilment of certain conditions precedent among which, include the confirmation of PPFL that it is satisfied with its due diligence of the rental enterprise and the approval of the board of directors of PPFL. The agreement has become unconditional and is now pending completion.

A13 Changes in the Composition of the Group

There were no changes in the composition of the Group during the interim period, except for the following:-

On 18 August 2006, TAE had acquired 2 ordinary shares of RM1.00 each representing 100% equity interest in Star Winners Sdn Bhd (“SWSB”) for a total cash consideration of RM2.00. SWSB was incorporated on 17 July 2006 as a private limited company in Malaysia under the Companies Act, 1965. Its principal activity is investment holding and SWSB is currently dormant.

On 22 September 2006, TA International Sdn Bhd, a wholly-owned subsidiary of TAE had acquired 1 ordinary share of HKD1 representing 100% equity interest in Winner Star Group Limited (“Winner Star”), a foreign subsidiary, for a total cash consideration of HKD1. Winner Star was incorporated on 20 July 2006 as a limited company in Hong Kong under the Companies Ordinance. Its principal activity is investment holding.

A14 Changes in Contingent Liabilities or Contingent Assets

There were no material changes in contingent liabilities or contingent assets since the last annual balance sheet date except for the following:-

Settlement of contingent liabilities

On 2 August 2006, Hijas Kasturi Associates Sdn. Bhd. had accepted a payment of RM1,300,000 as full and final settlement of its claim against TA Properties Sdn. Bhd. (“TAP”) for non-payment of architect’s fee of RM2,425,251 and loss of profits of RM3,690,000. TAP had previously provided an amount of RM3,274,089 (inclusive of interest of RM848,838) as a contingent liability in its financial statements. In this relation, an amount of RM1,974,089 had been written-back as a gain on settlement of liabilities previously disputed.

A15 Commitments

Commitments not provided for in the current financial period:-

	RM'000
Property, plant and equipment enhancement costs approved and contracted for	1,183

Notes (in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad)**B1 Review of performance of the Company and its Principal Subsidiaries**

The Group reported a pre-tax profit of RM28.7 million and a consolidated revenue of RM73.2 million for the current third quarter, compared to RM31.3 million and RM83 million respectively achieved in the previous year's corresponding period. The decrease in pre-tax profit in the current quarter was mainly due to lower profit from sales of development properties and lower recovery of financial receivables.

For the current nine-month financial period to date, the Group recorded a pre-tax profit of RM101.1 million, an increase of 81.9% over the previous year's corresponding period's pre-tax profit of RM55.6 million.

Analysis of the profit before taxation for the current third quarter and year to date:

	Current quarter RM'000	Year to date RM'000
Revenue	73,160	243,812
Other income		
- Recovery of financial receivables	915	2,525
- Interest income from financial institutions	3,503	9,834
- Gain on disposal of investments	1,969	11,572
- Others	5,838	9,682
	12,225	33,613
Other expenses		
- Amortisation and depreciation	(8,827)	(18,679)
- Cost of properties sold	(8,996)	(36,074)
- Remisiers', agents' and futures brokers' commission	(5,782)	(24,044)
- Write-back of provision for doubtful debts	4,189	13,138
- Write-back of provision for impairment loss on investments	419	254
- Foreign exchange losses	(2,113)	(5,965)
- Hotel operational expenses	(9,118)	(24,971)
- Personnel and others	(24,323)	(73,297)
	(54,551)	(169,638)
Finance costs, net	(2,204)	(6,669)
Share of results of associated companies	32	(19)
Profit before taxation	28,662	101,099

Profit in the current financial period to date was mainly contributed by the Group's stockbroking operations, property development activities, short term financing activities, property investment and hotel operations in Australia.

B2 Material Changes in pre-tax profit for the current quarter compared with the preceding quarter

The Group registered a lower pre-tax profit of RM28.7 million in the current quarter as compared with a pre-tax profit of RM48.3 million in the preceding quarter.

The decrease in pre-tax profit was mainly attributable to lower profit recognised from property development activities and lower brokerage income.

B3 Prospects for the current financial year

The overall outlook for the rest of the current year and next year remains positive. MIER has revised upwards its GDP growth forecasts for 2006 and 2007, to 5.9% and 5.2% respectively. The weaker outlook for the US economy has lifted regional currencies sharply higher against the US dollar in recent weeks, but if the ringgit appreciates in tandem with the strengthening of other regional currencies, our export competitiveness will not be affected. Malaysia's underlying fundamentals - current account surplus, economic growth and inflows of foreign capital would ensure a strong and stable ringgit.

The last few months have seen more buoyancy and liquidity in the local and regional bourses. Recent announcements of good corporate results on the local front together with ongoing restructuring, merger and acquisition activities have helped push up market sentiment and bolstered the market's performance.

For the next year, the implementation of the 9th Malaysian Plan will be the catalyst for increased public spending and provide further boost to the property market. The Board is confident that the Group will continue to benefit from the active stock market and resilient property market for the rest of the financial year.

B4 Variance between Actual Profit and Forecast Profit

Not applicable.

B5 Taxation

a) Taxation for the current financial period is as follows:

	Current quarter RM'000	Year to date RM'000
Estimated tax charge for the period		
Malaysian income tax	3,650	12,383
Foreign tax	1,447	3,475
Deferred tax	(41)	(693)
Under provision in previous years	57	769
	5,113	15,934

b) A reconciliation between the statutory and effective tax rate:

	Current quarter RM'000	Year to date RM'000
Profit before taxation	28,662	101,099
Taxation at the statutory income tax rate of 27%	7,739	27,297
Adjustments mainly due to the utilisation of previously unabsorbed tax losses and capital allowances, certain income not subject to tax net of certain expenses not deductible for tax purposes	(2,683)	(12,132)
Under provision in previous years	57	769
Tax expense for the financial period	5,113	15,934

B6 Sale of Unquoted Investments and/or Properties

	Current quarter RM'000	Year to date RM'000
Profit on sale of unquoted investments	-	411
Profit on sale of property (other than development properties)	-	-

B7 Quoted Securities

a) Details of purchases and disposals of quoted securities held by the Group (other than a local stockbroking subsidiary) for the current financial period are as follows:-

	Current quarter RM'000	Year to date RM'000
Total purchases	-	82
Total sales	493	13,116
Profit on sale of quoted securities	233	643

b) Total investments in quoted securities held by the Group as at 31 October 2006 are as follows:-

	Local Stockbroking Subsidiary RM'000	Others RM'000	Total RM'000
Quoted securities, at cost	2,733	33,991	36,724
Less : Provision for impairment losses	(111)	(21,087)	(21,198)
Quoted securities, at book value	<u>2,622</u>	<u>12,904</u>	<u>15,526</u>
Market value of quoted securities	<u>6,581</u>	<u>19,569</u>	<u>26,150</u>

B8 Status of Corporate Proposals

All corporate proposals announced have been completed at the date of this quarterly report except for the following:-

- a) partially completed Special Bumiputra Issue first implemented in 1997;
- b) On 21 March 2003, TA Securities Holdings Berhad ("TASH") submitted an application for Universal Broker ("UB") status to the Securities Commission ("SC"). On 11 August 2003, TASH received approval from the SC subject to the fulfillment of certain conditions imposed on TASH.

An appeal seeking exemption/waiver of the aforesaid conditions was made by TASH and on 18 March 2004, SC varied the earlier conditional approval by retaining all the conditions previously imposed, except the condition that TASH, instead of Datuk Tiah Thee Kian ("Datuk"), would now provide a written declaration to the SC on the effective beneficial shareholding of Datuk in the Company.

Following the 18 March 2004 letter from SC and pursuant to the various appeals made by TASH to the SC on the same subject matter, the SC on 18 October 2004, consented to the following:

- (i) That Datuk and persons connected with him shall assign the voting rights of the shares in excess of 20% of their collective shareholding in the Company (“the excess shares”) to a firm of independent trustees before TASH is given the status of UB; and
- (ii) That Datuk shall have full discretion to dispose the excess shares in the Company as he deems fit to persons other than himself, his nominees and persons connected with him within two years from the date of TASH being given the UB status.

B9 Group Borrowings and Debt Securities

Total Group borrowings as at 31 October 2006 were as follows:-

	Secured RM'000	Unsecured RM'000
<i>Long Term Loan</i>		
Foreign currency loan	<u>140,153</u>	<u>-</u>
<i>Short Term Borrowings</i>		
Foreign currency loan	<u>7,303</u>	<u>-</u>
Denomination of foreign currency loan: -		
<i>Long Term Loan</i>		
C\$ 43,344,000	<u>140,153</u>	<u>-</u>
<i>Short Term Borrowings</i>		
C\$ 2,259,000	<u>7,303</u>	<u>-</u>

The above foreign currency loan is a 15-year term loan which will mature on 1 December 2020. The fixed interest rate of 4.79% per annum on the loan is compounded semi-annually and payable monthly together with principal amount. The term loan is secured against a freehold land and building in Canada and the assignment of rentals and general security agreement over the aforesaid land and building.

B10 Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 8 December 2006.

B11 Material Litigation

There has been no change in material litigation since the last annual balance sheet.

B12 Dividend

No further dividend is declared as at the date of this announcement other than as stated above.

B13 Earnings Per Share (EPS) attributable to the equity holders of the parent

	Cumulative Period ended 31 Oct 2006	Cumulative Period ended 31 Oct 2005 (restated)
Basic earnings per share		
Net profit for the period (RM'000) - attributable to equity holders	84,945	46,784
Weighted average number of ordinary shares in issue ('000)	1,328,475	1,328,475
Basic earnings per share (sen)	<u>6.39</u>	<u>3.52</u>
Fully diluted earnings per share		
Net profit for the period (RM'000) - attributable to equity holders	84,945	46,784
Weighted average number of ordinary shares in issue ('000)	1,328,475	1,328,475
Fully diluted earnings per share (sen)	<u>6.39</u>	<u>3.52</u>

The outstanding warrants have been excluded from the computation of fully diluted earnings per RM1.00 ordinary share as their conversion to ordinary shares are anti-dilutive.

BY ORDER OF THE BOARD
Khoo Poh Kim @ Kimmy (LS04542)

Kuala Lumpur
15 December 2006